

## ***Invest in the Skills of the Workforce***

There is an increasing realization across the nation, as well as, Missouri that firms in a wide range of industries face serious difficulties in hiring workers with needed skills, and that we need to do a better job of training and educating new entrants to the workforce and workers dislocated by economic change.

Many industries point to the lack of skilled workers as a critical factor limiting their competitiveness and growth. For example, the Information Technology Association of America recently concluded that there are approximately 190,000 unfilled information technology jobs in the United States today due to a shortage of qualified workers. But it is not just high-tech firms. Finding a skilled workforce is the main barriers firms face to expanding and becoming more competitive. These shortages not only slow regional and national economic growth, they mean that hundreds of thousands of workers are not increasing their skills and standards of living.

Lack of progress in education is cause for concern. Nationwide, K-12 performance has simply failed to keep up with the pressing need for a skilled workforce in spite of continued increases in spending. And industry has cut back their expenditures on training. Missouri needs to adopt policies to ensure that Missouri companies have the skilled workers they need to be productive, while simultaneously ensuring that Missouri workers have the skills they need to navigate, adapt and prosper in the New Economy. The following are recommendations to enhance the skills of Missouri's workforce.

**Establish WorkKeys as a statewide assessment tool and employability certificate for K-12 and adult learners.** WorkKeys is an assessment system created by ACT for use in the business community. It allows businesses to have a common language regarding workplace skills through job profiling, skills assessment and instructional support. WorkKeys presents results on a scale of 3-7. These are NOT grade level equivalents. WorkKeys compares the skills of workers with the skills required by the job.

The certificate can be created to, provide skilled-based credentials to Missourians in assisting them secure employment; provide employers with workers that have documented skill proficiencies; and certify applicants that employers can hire with confidence.

**Missouri should co-invest in industry-led regional skills alliances.** A number of states, including Maryland, Pennsylvania, and Wisconsin, are shifting the focus of workforce training efforts to support industry-led skills alliances. For example, as part of the Wisconsin Regional Training Partnership, a number of metal-working firms, in conjunction with the AFL-CIO, used an abandoned mill building to set up a teaching factory to train workers with needed skills. Missouri could leverage existing (i.e., customize training, WIA, Perkins, general revenue, etc.) workforce funding to develop regional skills alliances.

**Engage Employers in the Design of the Curriculum.** If workforce regions are going to need the capacity to have a "real time" supply of skilled workers matching the changing needs of companies, technical schools will need to be able to quickly develop flexible work-based programs that train and educate for more immediate skill needs. States should provide incentives to ensure employer and industry involvement in designing needed standards, curriculum, and programs. For example, the Cleveland Advanced Manufacturing Program (a part of the NIST Manufacturing Extension Partnership program) works closely with firms in particular sectors to identify joint training needs, and then in turn works with training providers to help them design courses and curriculum.

**Target Limited Training Funds to Firms That Are Upgrading Technology and Skills, or to Firms That Are Training Workers in Transferable Skills.** Historically, states have used limited training dollars as a lure to convince firms to locate or stay in the area. While such incentives are better than simply giving firms free land or tax holidays, they still subsidize

something that the firm is likely to have done on its own and has few spillover benefits. States and cities should instead support training that leads to more transferable skills or to upgrading of technology in the firm. States should provide tax credits for employer expenditures for tuition reimbursement. They should co-fund training that results in broader skill acquisition. For example, a program in Indiana provides funds to employers to spend on training that results in a certificate (GED, AA degree, technical certificate).

**Reimburse Colleges for Noncredit Student Enrollments.** Missouri should put noncredit courses on a level playing field with credit courses. Currently, publicly funded community and technical colleges receive state funds for credit courses, but noncredit courses must be self-supporting through tuition.

Yet, increasingly students rely on noncredit courses to boost their skills (particularly taking courses over a period of years as they engage in lifelong learning), while companies rely on these same courses to upgrade the skills of their workers. But because the state does not reimburse them, colleges have less incentive to develop good noncredit programs. For example, firms in central Indiana reported that the most important skill set they needed in workers was C++ programming (a computer program language). The state found that students could get this skill at only three universities, in degree programs with extensive, unnecessary prerequisites. However, students could get Fortran (an obsolete computer program language) in noncredit courses in many schools.

As long as there are adequate standards for the noncredit courses (length of course, connection to employer-based training, etc.), schools should be reimbursed for students taking these courses. For example, Texas has provided full reimbursement for noncredit courses that employers set up or that students take to get ready to go back to work. Colorado is taking steps to make it easier for employer-based programs to qualify. Georgia's Hope Scholarship allows people to take any course that issues a technical certificate recognized by the state.

**Demand Accountability.** It is impossible to know if programs and policies work unless there is a standard upon which they can be evaluated. Missouri needs to develop clear and articulated goals for workforce programs. And then set measures that reach those goals and track results. Such results-oriented efforts not only help a region evaluate its own efforts, but also hold other institutions receiving public monies accountable.